



Larry Hogan,  
Governor  
Boyd K. Rutherford,  
Lt. Governor

# Maryland Opportunity Zones

[dhcd.maryland.gov/OpportunityZones](http://dhcd.maryland.gov/OpportunityZones)



## Qualified Opportunity Zone Business

A Qualified Opportunity Zone (QOZ) Business is a trade or business in which substantially all of the tangible property owned or leased by the taxpayer is QOZ Business Property. The original use of the property in the QOZ commences with the QOZ Business or the QOZ Business substantially improves the property.

Below are resources to assist investors and businesses seeking to learn and take advantage of investing and building a Qualified Opportunity Zone Business (QOZB) in Maryland.

### POSITIONING YOUR BUSINESS

- To ease investment into your business, establish a Qualified Opportunity Fund to enable investors to invest into your business.
- Property must be acquired by purchase from an unrelated person. A maximum of 20% common ownership may be retained by the original owner.
- Organize your financial assets to prepare for meeting the substantial improvement requirement. A QOZ Business must make capital improvements in an amount at least equal to the QOZ Business' tax basis for the business property held at the beginning of the 30-month period investment period.
- During substantially all of the QOZ Business' holding period for the property, substantially all of the use of such property was in a QOZ.
- Reasonable working capital and account receivables are within the 5% limit.
- The QOZ Business is not a "sin business." (i.e. private or commercial golf course, country club, or any store that principal business of which is the sale of alcoholic beverages for consumption off premises).

### A QUALIFIED BUSINESS

- At least 50% of the total gross income of the QOZ Business is derived from the active conduct of the QOZ Business.
- 70% of its tangible assets (owned or leased) are qualified opportunity zone business zone property (QOZB).
- A substantial portion of the QOZ Business' intangible property is used in the active conduct of its business.
- The QOZ Business is not a "sin business".
- Less than 5% of the aggregate adjusted basis of the QOZ Business' property is in "Nonqualified Financial Property." Nonqualified Financial Property is debt, stock, partnership interests, options, future contracts, forward contracts, annuities, and other similar properties to be set forth in regulations.

